

CCH Board Meeting December 2018

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Chief Financial Officer



COOK COUNTY  
**HEALTH**

# CCHHS Systemwide Financial Statements



# Income Statement for the Eleven Months ended Oct-2018(in thousands)

	Year-To-Date		Variance	
	Actual	Budget	\$	%
<b>Operating Revenue</b>				
Net Patient Service Revenue	573,329	604,084	(30,755)	-5%
CountyCare Capitation Revenue	1,747,315	1,672,551	74,764	4%
Access Payments	103,260	82,500	20,760	25%
Other Revenue	13,009	10,084	2,925	29%
<b>Total Operating Rev</b>	<b>2,436,912</b>	<b>2,369,219</b>	<b>67,694</b>	<b>3%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	581,320	609,762	28,442	5%
Overtime	40,071	33,202	(6,868)	-21%
Pension*	223,082	223,082	(0)	
Supplies & Materials	76,843	61,369	(15,474)	-25%
Pharmaceutical Supplies	85,708	72,344	(13,364)	-18%
Purch. Svs., Rental, Oth.	265,984	289,402	23,418	8%
External Claims Expense	1,481,443	1,358,235	(123,208)	-9%
Insurance Expense	20,502	24,136	3,634	15%
Depreciation	31,645	29,930	(1,715)	-6%
Utilities	11,182	10,721	(461)	-4%
<b>Total Operating Exp</b>	<b>2,817,780</b>	<b>2,712,184</b>	<b>(105,596)</b>	<b>-4%</b>
<b>Operating Margin</b>	<b>(380,867)</b>	<b>(342,965)</b>	<b>(37,902)</b>	<b>-11%</b>
<b>Operating Margin %</b>	<b>-16%</b>	<b>-14%</b>	<b>-1%</b>	<b>-8%</b>
<b>Non Operating Revenue</b>	<b>231,430</b>	<b>231,430</b>	<b>-</b>	<b>0%</b>
<b>Net Income/(Loss)</b>	<b>(149,437)</b>	<b>(111,535)</b>	<b>(37,902)</b>	<b>-34%</b>





# Observations

Operating Margin challenging to FY2018 budget but drivers to watch vs. same time FY17

- Primary Care visits are flat while Specialty Care visits up 7%
- Surgical Cases up 4% and slightly above FY2018 Target
- Inpatient Discharges down 12% and LOS 7% higher
- Emergency Department visits are flat
- Deliveries down 14%
- System-wide uninsured numbers, captured by visit held 42% (Provident 34%, ACHN 42%, Stroger 44%)
- System wide Financial / Revenue Cycle ratios are indicating sustained progress
- CountyCare contributes \$184.5M to CCH

# Financial Metrics

Metric	As of end Oct- 16/YTD	As of end Oct- 17/YTD	As of end Oct- 18/YTD	Target
Days Cash On Hand**	62	101	30	60*
Operating Margin***	-8.5%	-21.2%	-4.8%	-5.4%
Overtime as Percentage of Gross Salary	7.9%	7.7%	7.4%	5.0%
Average Age of Plant (Years)	21.1	22.2	24.4	10.7

\*Days Cash on Hand Target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary Target 5% , Moody's 2%

\*\* Days Cash in Hand Point in time i.e. as of end October for each year

\*\*\*Excludes Pension Expense Target based on compare group consisting of 'like' health systems : Alameda Health System, Medtronic Center, Parkland Health & Hospital System, and UI Health



# Revenue Cycle Metrics

Metric	Average FYTD 2018	Oct-18	Nov-18	Benchmark/ Target
Average Days in Accounts Receivable <i>(lower is better)</i>	106	86	85	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	7.9	6.9	8.1	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	27%	19%	20%	20%

## Definitions:

**Average Days in Accounts Receivable** Total accounts receivable over average daily revenue

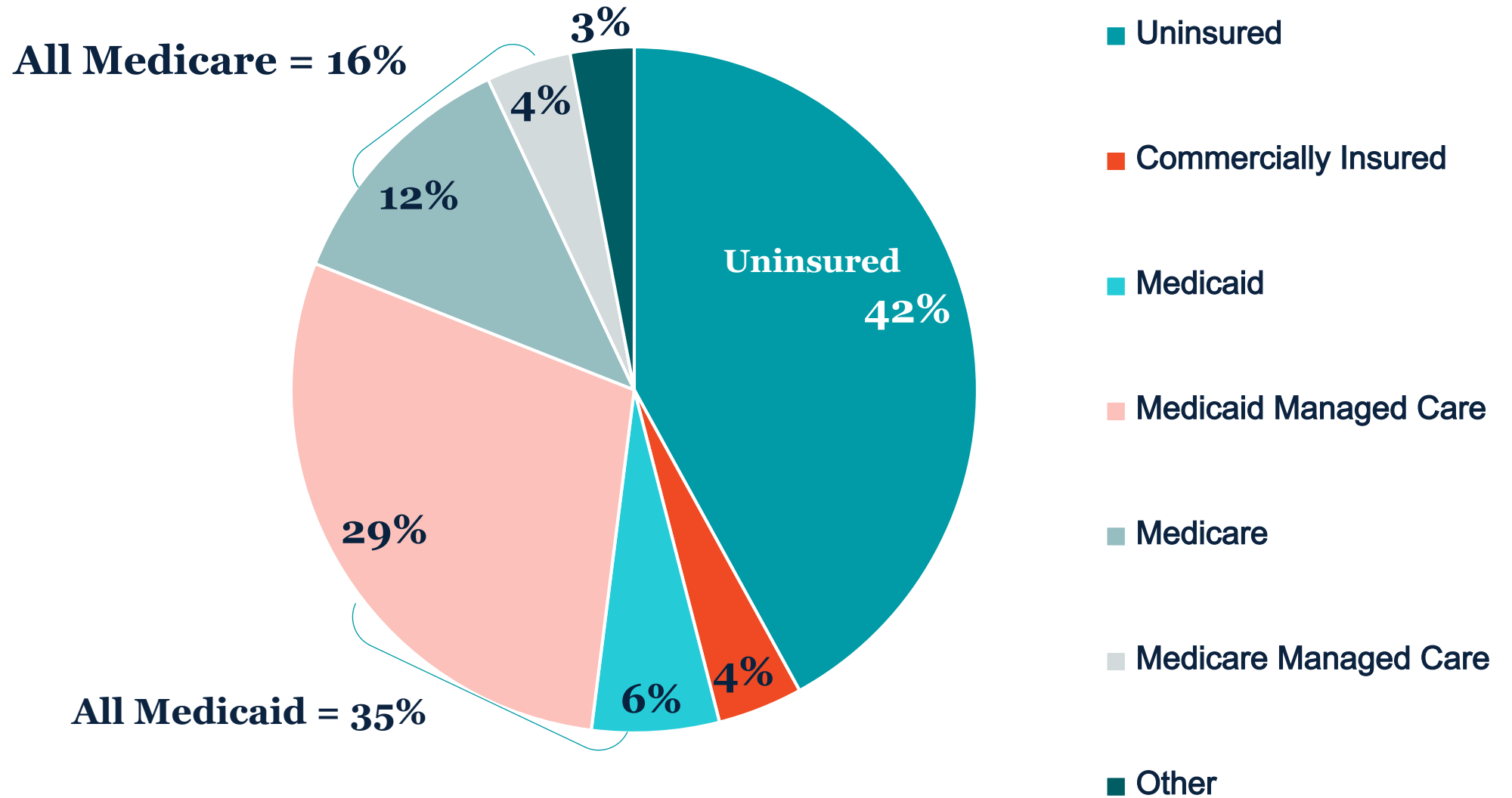
**Discharged Not Finally Billed Days** Total charges of discharge not finally billed over average daily revenue

**Claims Initial Denials Percentage** Percentage of claims denied initially compared to total claims submitted.

\* Source HFMA Key Hospital Statistics and Ratio Margins, 2014



# System Payor Mix By Visit



# Questions?



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